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United States Department of the Interior, Stewart L. Udall, Secretary
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TURKISH FISHERIES IN THE MARMARA AREA 1/

Product Flow

a. Production

In the world market the major product of the Turkish fisheries are bonito (large bonito are known as Torik and small as Palamut) and tuna (Orkinos) both of which are suitable for canning and commonly sold abroad as tuna. Of the 11,036 tons of these fish caught in 1959, 8,074 tons were caught in the Marmara region. The season runs from October through January and from April through June. The 1960 catch, which is almost completed, will be considerably larger approaching 15,000 to 20,000 tons.

Ninety percent of bonito and tuna are caught by the 100 net teams based on Istanbul. A net team consists of 3 to 4 boats and 25 to 40 crew members using purse seines. The remainder of the catch is caught by gill net, trawler and single line fishermen. In many instances the boats are owned by the captain and worked by members of the extended family along with hired hands. A large number of boats are owned and financed by the brokers. Although 90 percent of the net teams are members of cooperatives, only about 10 percent are organized in cooperatives not under broker control.

Fishing grounds are the Marmara, the Black Sea areas near the mouth of the Bosphorus and, to a lesser extent the Bosphorus itself.

Equipment is not modern. There is no radio communication between the boats and the shore or among boats, no transport facilities to bring fish from the fishing grounds to market other than by return of one of the boats in the team, and insufficient strong nets to catch the large tuna which often run into hundreds of kilos apiece. (Enclosure No.1). All sources agree that with proper equipment and organization, production can be expanded rapidly. Bonito and tuna migrate annually from the Mediterranean to the Black Sea through the Marmara and the Straits in the Fall and return in the late Spring. The fisheries in the Marmara area are ideally located to catch them as they move through the Marmara and Straits in large schools.

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1/ Information supplied by United States Consulate General, Istanbul, Turkey.

b. Distribution and Storage

Fish are brought into market by boat teams as they are caught. The boats have no refrigerated storage facilities. Fish are stacked on top of one another from keel to gunwale, often with the result that the portion of the load underneath is smashed and distorted. Fishermen have three possible means of disposing of their catch; they can a) sell directly on the Municipal Fish market on the Golden Horn (See Enclosure No. 2), b) sell to a broker or c) seek to store their catch at the cold storage depot of the Et ve Balik Kurumu.

Since the catch is spasmodic the supply varies greatly from day to day. The total freezing and cold storage facilities on the Istanbul area can accommodate 4500 tons in storage, but freezers can take no more than 180 tons per day. At times of great abundance storage facilities are unavailable, and fish are sold at very low prices for local consumption or are even thrown away. At such times production ceases until market conditions improve. Of the three major storage facilities two (with a total of 120 tons daily freezing capacity) are owned by the brokers who are able to take advantage of supply conditions to buy at lowest prices. Only the Et ve Balik depot is open without contractual obligation to boats not controlled by the brokers, but since the warehouse handles both meat and fish the availability of space to fishermen cannot be guaranteed.

c. Domestic Consumption

Domestic consumption of fish in Turkey is confined to the sea coast areas and to Ankara. In season palamut and torik are consumed locally in large numbers, and there are a number of traditional recipes for salting and preserving them.

Facilities for inland transport of fish are limited. Refrigerator cars belonging to the Et ve Balik Kurumu are used only for meat haulage from the interior and, according to officials, cannot be used to haul fish on the return run because of the odor problem. A "cold chain", a system for distribution of items requiring cold storage, does not exist in Turkey except between Istanbul and Ankara. The taste for fish, however nutritional, has not been developed in the interior.

d. Export

The market for bonito and tuna is well established. Ali Tansever, a broker and the largest exporter of fish from Turkey, sells fish to canneries in Yugoslavia and Italy from which canned products are distributed over the entire world. Bonito, particularly the large torik, is canned as "tuna" outside Turkey. Tansever says that Turkish tuna and bonito are preferred by European canners because the meat is white while other tuna is pink (See Enclosure No. 2). Other than shrimp and turtles exported from Iskenderun, mackerel and a few specialty items, bonito and tuna comprise the entire export market. The fish are exported salted, preserved, fresh and frozen, mostly in the latter form. Before World War II there was some export of hamsi (anchovy) found in large schools in the Black Sea, but there is almost no export of this item today.

European buyers are willing to help exportation. A number of ships, mostly Greek, call during the bonito season, and refrigerator cars have been available from European railways. In addition, a limited amount of refrigerated space is available in the Turkish merchant marine. The Maritime Bank passenger ships can carry up to 200 tons of refrigerated cargo per week to Europe. The Et ve Balik Kurumu has several refrigerated vessels, of which the KAR has a capacity of 500 tons burden.

Capitalization and Income Flow

a. Production

There are three sources of finance available to producers: the brokers, the government through the state banks and the private means of individual boat owners. Three organizations supply the bulk of the capital; they are the two brokers, each of which has strong banking support, and the government-owned Ziraat Bankasi (Agricultural Bank), which has been charged with responsibility of supporting fishermen's cooperatives.

Of the 100 net teams, 20 are organized into cooperatives organized by the state banks, three by the Agricultural Bank and one (now almost defunct) by the Halk Bankasi (Peoples' Bank). Two other cooperatives with a total of 70 to 80 teams are controlled by brokers, one of these is controlled by Yarar and with over 400 individual members is the largest organization in the industry. Cooperatives other than those controlled by the brokers are supported by shares bought by individual members. They in turn back the members financially and pay a dividend at the end of the season. Cooperatives arrange for storage, disposal and, for the first time this year, export of the catch. The cooperative movement seems to be growing and especially to have benefitted from the good 1960 season.

b. Distribution and Export

The key financial problem in distribution, if not in the entire industry, is capital investment in storage. In Istanbul storage facilities are owned by the two large brokers, Yarar and Tansever, and by the Et ve Balik Kurumu. For reasons not yet apparent a sizable portion of the EBK capacity has been largely at the disposal of one of the brokers through most of the 1960 season. Without access to cheap storage facilities the individual boat owner has little alternative but to sell his fish on the open market, which is dominated by brokers.

The local fish market (See Enclosure No. 2) operates by auctions in which prices are freely adjusted by bargaining between the large number of small producers and the supposedly large number of small retailers. In effect however this seems not to be the case. Yarar, through his organization, owns more than half of the catch before it gets to market. Tansever, who provides 80 percent of fish exports, catches 10 percent of the catch himself and normally buys another 20 to 30 percent. Much of the fish caught goes directly to the warehouses of these two operators and some of it is sold by one to the other. A measure of the profitability of brokerage operations is the difference between the price per kilo of palamut paid the producer, who received in 1960 an average of TL.75, and the price paid to the exporters, who received TL 1.95. The brokers' profit has been estimated by one cooperative official at better than TL.50 per kilo, a considerably greater profit than earned by the producer.

Beyond the Primary market, for domestic sale as well as for export, financial problems are less acute. Ample foreign interest exists in Turkish fisheries to provide support for distribution and storage outside of Turkey. For domestic consumption the government, through the Et ve Balik Kurumu, assumes a large share of the financial burden for distribution and is planning to increase its role.

Government and Private Enterprise

Aside from Et ve Balik Kurumu officials, no local source is optimistic over Government encouragement of the fisheries. Even the cooperatives, who are government supported and who would seem totally dependent on public aid, appear to think that increased government participation would not improve conditions and might obscure basic problems by pigeonholing plans for their solution. Cooperative officials seem firmly determined to develop as private organizations using the state banks as a source of capital loans at reasonable interest rates. The brokers, although they may publicly welcome state assistance, clearly fear a strong anti-monopolist movement from the Government.

Points of Further Inquiry

1) Expansion of Freezing and Storage Facilities: An increase in freezing and storage capacity available to individual producers organized in cooperatives, would serve to strengthen their bargaining position. Most importantly control of such facilities has to be kept out of the hands of the brokers. The local construction industry would appear to be able to build such facilities without a large foreign exchange requirement; the shell and isolation rooms, and possibly some mechanical elements, such as copper tubing, could be produced for lira. On the other hand EBK should be encouraged to exploit the capacity it now has for use of the cooperatives.

2) Aid to Production: Nylon Net Factory and Fleet Improvement: As suggested by the Local EBK director (See Enclosure No. 1) local production of nylon netting would permit a substantial increase in production capability, especially if nets suitable for large tuna (Orkinos) could be manufactured. Without considering cost elements, it would appear necessary to determine what production advantages might be gained by wider use of these nets. As mentioned above the major factor is less the increase of production than the establishment of market conditions in which free entry to the market is guaranteed and producers can gain capital for expansion. Other plans for increasing production facilities (Enclosure No. 1) encounter this objection.

Financing of new hull construction would be possible with local currency. Engines would have to be imported. Improvement of the fleet however would require an enormous outlay when all of the requirements are considered. Capital for production activities might well come from local (private) sources as the industry grows. Small operators should be able to finance their own needs gradually through savings or through cooperatives, if a larger portion of the earnings of the industry can be made available to them.

3) Transport from Fishing Grounds to Market:

While the provision of transport facilities from fishing grounds to market would increase production efficiency, as an alternative to other projects it would be subject to the objection noted in paragraph 2 above and would place control of the catch largely in government (EBK) hands and would require substantial foreign exchange expenditure.

4) "Cold Chain" from Istanbul to Interior Market:

. The local market might well expand as rapidly as the export market. The "cold chain" which would have to be established would be costly and would require foreign exchange for a project which would increase consumption along with production.

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